

## **Summary**

### **I-35 Expansion Options**

**Background:** During the March 1st hearing of the Texas Senate Transportation & Homeland Security Committee, the department was asked a number of questions about what it would cost to expand I-35. In response, TxDOT requested the assistance of nationally recognized engineering firm HNTB to compare expansion of I-35 to TTC-35 in terms of cost, impact of right-of-way acquisition on existing businesses and development, and impact on the tax base.

#### **General points regarding the HNTB report**

- The report was prepared to provide information requested by the Texas Senate Transportation and Homeland Security Committee. Details of the report are being shared with committee members.
- Ongoing and planned expansion of Interstate 35 (including widening to at least three lanes in each direction between Georgetown and Hillsboro) will help address traffic congestion problems, but it will not meet the long-term transportation needs of Texas.
- To meet future needs, TTC-35 is being considered as a new, alternate transportation corridor parallel to I-35. Depending on location and demand, TTC-35 could ultimately include separate lanes for cars and trucks, passenger and freight rail, and room for utility transmission. The first element to be constructed will likely be a four-lane toll road (two-lanes in each direction) from San Antonio to Oklahoma.
- In a side-by-side comparison between expansion of I-35 and construction of the TTC-35 toll road, expansion of the existing interstate is:
  - more costly,
  - more damaging to existing businesses and developed property,
  - more harmful to the tax base, and
  - more disruptive to motorists

#### **Costs and impacts to existing businesses**

- Adding one lane each direction to I-35 from San Antonio to Oklahoma would cost \$10.7 billion and impact 1,138 existing businesses, buildings and other facilities.

- Adding two lanes each direction to I-35 from San Antonio to Oklahoma would cost \$20.7 billion and impact 2,599 existing businesses, buildings and other facilities.
- Expanding the interstate to meet the needs for 2025 as identified by the 1999 I-35 Trade Corridor Study between Laredo and Oklahoma would cost \$36.5 billion and impact 3,173 existing businesses, buildings and other facilities.
- Private investment can fund the construction of the TTC-35 toll road. Impacts to existing businesses, buildings and other facilities will be determined by the ongoing federal environmental process but is expected to be significantly less than expansion of I-35 because TTC-35 will be located in mostly rural areas.

**Impacts to the tax base** (Bexar, Comal, Dallas, Denton, Hays, McLennan, Tarrant, Travis and Williamson counties)

- Adding one lane to I-35 would remove property valued at more than \$202 million from the tax roll and an estimated \$71 million loss in sales, resulting in a loss of \$4.5 million in state sales tax revenue.
- Adding two lanes to I-35 could remove property valued at more than \$565 million from the tax roll and an estimated \$227 million loss in sales, resulting in a loss of \$14 million in state sales tax revenue.
- Expanding the interstate to meet the needs for 2025 as identified by the 1999 I-35 Trade Corridor Study could remove property valued at nearly \$2.3 billion from the tax roll and an estimated \$881 million loss in sales, resulting in a loss of \$55 million in state sales tax revenue.
- Constructing TTC-35 would remove property valued at \$38.7 million from the tax roll, but will have minimal sales impact to existing business since a majority of the improvements will occur in non-commercial areas.